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**PREPARED STATEMENT - ISO/IEC 42001 AND AI GOVERNANCE**

Chairwoman Gonzalez and Members of the Committee, thank you for the opportunity to testify today. My name is Danny Manimbo. I am a Managing Principal at Schellman and lead our ISO and AI practices. I am here today as a subject matter expert on AI governance standards, specifically ISO 42001, the world's first international management system standard dedicated specifically to AI.

My remarks are intended to be educational and non-partisan.

I will cover the topics of what ISO 42001 is and why it exists, the types of organizations it was designed for, the issues it addresses and how it does so, and finally, the role of third-party auditors.

#### **FIRST, BACKGROUND AND PURPOSE.**

ISO 42001 was published in late 2023 by the International Organization for Standardization (ISO) and developed by Joint Technical Committee 1, Subcommittee 42, which focuses on AI-related standards.

This framework does not regulate AI outputs or mandate specific technical approaches. Instead, it establishes an **AI MANAGEMENT SYSTEM**, or AIMS, which provides a structured governance framework for how AI systems are designed, deployed, monitored, and maintained. In that sense, it is comparable to the long-standing ISO management system standards that exist for information security, privacy, and quality.

ISO 42001 recognizes and addresses the fact that many AI failures stem not from algorithms alone, but from organizational weaknesses—such as unclear accountability, insufficient oversight, data governance gaps, or lack of ongoing monitoring.

## **SECOND, THE TYPES OF ORGANIZATIONS IT IS GEARED TOWARD.**

ISO 42001 is intentionally broad and sector-agnostic. It applies to any organization that develops AI systems, deploys AI in business or operational processes, uses AI for decision support, or provides AI-enabled services.

The standard is particularly relevant where AI is used in consequential or high-impact environments—including finance, healthcare, education, public services (like housing), or any setting where automated or semi-automated decisions can materially affect individuals.

The standard is scalable and can be adapted for small and medium-sized organizations, not only large technology firms.

## **THIRD, THE PROBLEMS IT IS INTENDED TO SOLVE AND THE BENEFITS IT PROVIDES.**

ISO 42001 addresses recurring challenges organizations face when deploying AI at scale, including unclear accountability, inconsistent risk assessments—particularly around bias and unintended impacts—limited transparency in governance, and weak lifecycle management as systems evolve.

The standard requires organizations to perform impact assessments, identify AI-related risks, define risk acceptance criteria, assign clear ownership and oversight, implement controls, and continuously monitor performance and impacts.

Critically, it emphasizes bias, fairness, and unintended consequences as ongoing governance concerns, not one-time technical checks, with requirements for review and corrective action as data, models, and use cases change.

From a **REGULATORY READINESS** perspective, ISO 42001 provides a structured way to demonstrate that AI risks are being systematically identified and managed. It serves as objective evidence of due diligence and reasonable care as regulatory frameworks continue to evolve.

From a **CUSTOMER TRUST AND TRANSPARENCY** standpoint, the standard shifts discussions away from general claims about responsible AI toward verifiable and auditable governance practices.

#### **FOURTH, RELEVANCE TO EMERGING AI TECHNOLOGIES, INCLUDING LLMS.**

Large Language Models and other models introduce unique risks related to scale, transparency, downstream use, and unintended outputs. ISO 42001 requires organizations to define appropriate use boundaries, maintain human oversight for higher-risk applications, monitor real-world impacts, and establish escalation mechanisms.

As a result, AI governance is beginning to resemble other mature risk domains like cybersecurity and privacy, where formal management systems, independent audits, and external assurance play a central role. ISO 42001 supports this shift by enabling consistent and repeatable evaluation of AI governance practices across organizations.

#### **FINALLY, THE ROLE OF INDEPENDENT AUDITORS AND THE IMPORTANCE OF ACCREDITATION.**

ISO 42001 can be independently audited and certified by third-party organizations.

The credibility of this process depends on the **ACCREDITATION** of those third-party auditors. Accredited certification bodies are overseen by recognized accreditation authorities to ensure competence, independence, consistency, and impartiality. Accreditation helps reduce conflicts of interest and ensures certifications represent meaningful governance maturity rather than symbolic compliance.

**IN CLOSING**, ISO 42001 does not resolve every policy question related to AI. However, it provides an internationally recognized framework for governing AI responsibly, classifying and managing risk, addressing bias, and enabling independent evaluation. For policymakers, understanding how such governance standards function may help inform discussions around accountability, transparency, oversight of high-risk AI uses at the state level, and ultimately build public trust. Thank you to everyone on the committee for the opportunity to contribute to today's discussion.



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